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Copy 3 of 5

NEGOTIATED CONTRACT

CONTRACT NO. [REDACTED]

General Dynamics Corporation
Convair Division
San Diego, California

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Contract for:

Amount:

Mail Invoices to:

Performance Period:

Administrative Data:

This contract is entered into by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the above named Contractor which is a corporation, incorporated in the State of Delaware, hereinafter called the Contractor.

The parties hereto agree that the Contractor shall furnish the facilities and deliver all supplies and perform all the services set forth in the attached Schedule issued hereunder, for the consideration stated therein.

The rights and obligations of the parties to this contract shall be subject to and governed by the attached Schedule and General Provisions. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of
14 August 1958, 1958.

Signatures:

General Dynamics Corporation
Convair Division

THE UNITED STATES OF AMERICA

By [REDACTED]

By [REDACTED]

Title Vice President - Convair Division

Contracting Officer

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SCHEDULE

PART I - SCOPE OF WORK

Contractor shall furnish the necessary engineering, design and development to accomplish the work set forth in Appendix I attached hereto and made a part of this contract.

PART II - DELIVERY

The Contractor shall accomplish the work and submit the required reports in accordance with the provisions of Appendix I mentioned in PART I hereof.

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PART III - ESTIMATED COST AND FIXED FEE

a. The total estimated cost for the performance of this contract, exclusive of the fixed fee, is [REDACTED] *126,000.00 (Amend 2) Amend 384*

b. The fixed fee for the performance of this contract is [REDACTED]

PART IV - PAYMENT

a. In accordance with the provisions of Clause 4 of the General Provisions of this contract entitled, "Allowable Cost, Fixed Fee, and Payment", the Government shall pay the Contractor, as full compensation for the performance of this contract, the fixed fee as specified in PART III above, and the Allowable Cost incurred by the Contractor in the performance of this contract, and accepted by the Contracting Officer as chargeable in accordance with "Contract Cost Principles, Section IV, Part 2, Armed Services Procurement Regulations"; such determination being subject to the provisions of this contract entitled "Disputes". It being understood and agreed, without limiting the generality of the foregoing, that the following shall be considered as allowable items of costs incurred hereunder when incurred or paid by the Contractor, and when necessary and required and used for the performance of work hereunder:

1. (a) Premium costs for overtime work shall be an allowable item of cost hereunder only if, and to the extent, that overtime work for which such payments are made shall have been duly authorized to the extent that such authorization is required by applicable Government directives.

(b) Costs of personnel movement of a special or mass nature as may be approved from time to time by the Contracting Officer or his duly authorized representative.

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(c) Costs of ordinary and normal rearrangement of facilities within a department or plant. The cost of extraordinary plant rearrangement, including relocation of plant sites shall be allowable only to the extent approved by the Contracting Officer or his duly authorized representative.

(d) Extraordinary travel and subsistence expenses incident to the performance of this contract shall be allowed as a direct cost hereunder, consistent with Contractor's accounting method, it being agreed and understood that the portion of ordinary travel and subsistence expenses allocated to this contract in accordance with Contractor's established accounting method of apportioning indirect cost shall also constitute an allowable cost hereunder, subject to approval of the Contracting Officer.

(e) Cost of subsistence and temporary housing of employees detailed to duty at points away from homes shall be allowable items of cost hereunder as approved by the Contracting Officer.

(f) Costs incurred in connection with the Contractor's Patent Department shall be subject to negotiation in the event the Contractor exercises the option contained in paragraph (2) (h) (1) of this PART IV and this contract is amended in accordance with paragraph (2) (h) (2) of this PART IV.

(g) Costs of engineering programs of a general nature shall be subject to negotiation in the event the Contractor exercises the option contained in paragraph (2) (h) (1) of this PART IV and this contract is amended in accordance with paragraph (2) (h) (2) of this PART IV.

(h) Costs of operations of, or in connection with, cafeterias, dining rooms (except executive dining rooms), soda fountains, sales stores, and similar operations, operated by the Contractor or by a concessionaire, provided that the profits accruing to the Contractor from any such operation will be treated as a credit to overhead. This subparagraph shall not apply to the operating of vending machines, the profit from which is irrevocably set over to an employee's welfare organization.

2. (a) Notwithstanding the provisions of the clause of the contract entitled "Allowable Cost, Fixed Fee, and Payment", the allowable General Office Administrative Overhead under this contract shall be obtained by applying a negotiated overhead rate to a base agreed upon by the parties, as specified below:

(b) The Contractor, as soon as possible, but not later than ninety (90) days after the expiration of each period specified below, shall submit to the Contracting Officer, via the cognizant audit activity and the (Contract Audit Division), a proposed

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final overhead rate for that period based on the Contractor's actual cost experience during that period, together with supporting cost data. Negotiation of the final overhead rate by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with ASPR, Section XV, Part 2, as in effect on the date of this contract.

(d) The results of each negotiation shall be set forth in an amendment to the contract, which shall specify (i) the agreed final rate, (ii) the base to which the rate applies and (iii) the period for which the rate applies.

(e) Pursuant to the foregoing, a General Office Administrative Overhead rate shall be established for the period beginning 10 February 1958 and ending 30 June 1958 and for each succeeding six (6) months, or such other period as may be mutually agreed upon.

(f) Pending establishment of a final overhead rate for any period, the Contractor shall be reimbursed at a billing rate set forth in paragraph b. of this PART IV, subject to appropriate adjustment when the final rate for that period is established. To prevent substantial over or under payment, the billing rate may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. In the event of failure to agree on the billing rate to be used for any period, provisional payments on account of allowable General Office Administrative Overhead for that period shall be made on the basis of a provisional rate which shall be negotiated by the Contractor and the Contracting Officer and set forth in an amendment to the contract.

(g) Any failure by the parties to agree on any final rate under the contract shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the "Disputes" clause set forth in the contract.

(h) (1) The Contractor shall have the option to discontinue the use of negotiated final overhead rates, as provided herein, by giving written notice to the Contracting Officer not later than thirty (30) days prior to the end of any period.

(2) Discontinuance of negotiated overhead rates shall be effective on the first day of the period in which such notice is given and shall be evidenced by an appropriate amendment to the

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contract providing for reimbursement of General Office Administrative Overhead on the basis of audited actual costs in accordance with the payment provisions of the clause of the contract entitled "Allowable Cost, Fixed Fee and Payment."

b. For purposes of billing current costs incurred under this contract or until such time as an audit of Contractor's interim or final vouchers or invoices is made by the Contracting Officer or his authorized representative, the Contractor shall use the following rates in computing costs incurred hereunder:

"Those rates which are currently approved by the cognizant military department for billing purposes under CFFP contracts."

c. Contractor shall be paid the fixed fee stated in PART III hereof in monthly installments based on allowable costs incurred by the Contractor and approved by the Contracting Officer computed at the same ratio that the total fixed fee stated herein is to the total estimated cost stated herein, subject, however, to the withholding provisions of paragraph (c) of Clause 4 of the General Provisions hereof.

PART V - ANTICIPATORY COSTS

All costs which have been incurred by the Contractor on or after 26 May 1958 in anticipation of and prior to the signing of this contract, and which, if incurred after the signing of this contract, would have been considered as items of Allowable Costs hereunder, will be accepted by the Contracting Officer as costs under this contract.

PART VI - LETTER CONTRACT SUPERSEDED

This is the Definitive Contract contemplated by the Letter Contract No. [REDACTED] dated 22 June 1958 and all amendments thereto. This Definitive Contract supersedes said Letter Contract and all amendments thereto. Work performed and payments made under said Letter Contract, as amended, shall be deemed to be work performed and payments made under this Definitive Contract. In the event of conflict between this Definitive Contract and said Letter Contract, as amended, this Definitive Contract shall govern.

PART VII - WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the General Provisions of this contract to the contrary, whenever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the

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clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters, the Contractor shall call the attention of the Contracting Officer to such conflict and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval of the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

PART VIII - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and notwithstanding any clause or section of this contract to the contrary, the Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

PART IX - AUDIT

Audit of costs hereunder shall be by the cognizant military audit agency, in accordance with security requirements which shall be agreed upon between the Contractor and the Contracting Officer.

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